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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1-1-10 To (mo./yr.) 12-31-2010
2. DOGM File Number (Mine No) S15 / 00 / 80
3. Mine Name: BLACK BUTTE
4. Mineral(s) Mined (or permitted to mine): Noble Metals
5. Type of mine ☐ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
E 1/4, SE 1/4, ___ 1/4, Section 2, Township 20S, Range 14E
___ 1/4, ___ 1/4, ___ 1/4, Section ___, Township ___, Range ___
___ 1/4, ___ 1/4, ___ 1/4, Section ___, Township ___, Range ___
7. Name of Operator or Company: GOLDTERRA, INC.
8. Permanent Street Address: 4088 East Airport Rd-PO Box 783
City, State, Zip: Price, Utah 84501
Phone: (435) 636-8888 Fax: (435) 637-3888
9. Company Representative (or designated operator):
Name: Dan Sheppard
Title: President
Business Address: 4088 East Airport Road
City, State, Zip: Price, Utah 84501
Phone: (435) 636-8888 Fax: (435) 637-3888
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? Sampling of material only.

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4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
N/A

5. How much **additional acreage** was disturbed during the past year? Less than 1 Acre.
6. How much acreage was **reclaimed** during the past year? None
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
N/A

8. What is the **total** disturbed acreage of entire project at years end? Less than 1 Acre.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Plan to excavate material and truck to the Pilot Mill
located at 4088 East Airport Road-Price, Utah at a rate
of 50 Tons per day.

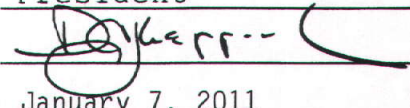
NOTE: Section III., "Additional Information" applies only to **large mining operations.**

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):	<u>Dan Sheppard</u>
Title of Operator:	<u>President</u>
Signature of Operator:	<u></u>
Date:	<u>January 7, 2011</u>